

Prepaid Telephone Calling Cards

Prepaid telephone calling cards have become popular tools for many consumers because of their convenience and the many available options. But at the same time, consumers should be aware of potential pitfalls.

If you are considering buying a prepaid calling card, shop around, understand the card's dialing instructions, talk to friends and relatives and, most importantly, read the fine print.

What to look for in a card provider:

- Company reputation
- Satisfaction guarantees
- Helpful and accessible customer service representatives
- Retailer's backing of the provider

When evaluating the cost, consider:

- The stated cost per minute and how it compares to regular long distance rates from your home phone.
- Rates and/or limitations for in-state, out-of-state and international calls.
- Sign-up, activation and/or connection fees per card or call.
- Any hidden charges or service charges.
- The minimum charge per call and if charges apply when you get a busy signal or no answer.
- The card's billing interval. A call that lasts two minutes and one second will cost you three minutes of card time if your billing interval is one minute. The same call will cost you five minutes of card time if your billing interval is five minutes.
- Any additional charges for using the card from a phone from which local calls are not free, such as a hotel or pay phone.

Quick tips

Things to consider before buying a prepaid calling card:

- How reputable is the company?
- What are the stated and actual costs per minute?
- Are there any minimum charges?
- Are there any hidden charges?
- What are the billing intervals?
- Is there a toll-free access number?
- When does the card expire?
- Do you understand all the fine print?



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Questions to ask:

- Is there a toll-free access number? Does it work?
- Is the connection good and static-free?
- When does the card expire?
- Can you add more time to the calling card? How?
- Will using a prepaid card help you manage your telephone budget?
- Will you end up spending more or less if you use a prepaid calling card?

Reporting a problem with your provider

If you are unsatisfied with a prepaid calling card and the company does not resolve your complaint to your satisfaction, you can report the problem to the Federal Trade Commission toll-free at 1-877-FTC-HELP (382-4357) (TDD/TTY: 1-866-653-4261).

Warning signs

Keep shopping if:

- The customer service number is frequently busy.
- The access number is frequently busy.
- The deal sounds too good to be true. (It probably is.)
- The card doesn't work for all the calls you want to make (in-state, state-to-state, international).

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency representing the interests of utility consumers and the general public in matters related to the provision of utility services. The OUCC is active in proceedings before regulatory and legal bodies and is committed to giving consumers a voice in the creation of utility service policy.

OpenLines publications are produced by the OUCC to educate consumers on their rights and responsibilities regarding utility services. Fact sheets on many telecommunications and other utility topics are available free of charge. All OpenLines publications, including a comprehensive telecommunications consumer handbook, are available on the OUCC Web site or by calling the OUCC Consumer Services Staff.

This OpenLines publication is a public service of the Indiana Office of Utility Consumer Counselor (OUCC) in conjunction with the Indiana Utility Regulatory Commission (IURC) and SBC Indiana.



Indiana Office of Utility Consumer Counselor

100 N. Senate Av., Room N501 • Indianapolis, IN 46204-2215

www.openlines.in.gov • toll-free: 1-888-441-2494 • voice/TDD: 317-232-2494 • fax: 317-232-5923

12/03

